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EXECUTIVE CORRESPONDENCE ROUTING SHEET

The Director of Central Intelligence
Washington, D.C. 20505

22 June 1998

The Honorable Richard Shelby
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

At your request, we are providing recently declassified documents associated with Admiral Jeremiah's assessment of the Community's performance on India's nuclear test.

I have enclosed a summary of Admiral Jeremiah's recommendations for improving the Community's performance, and a version of my testimony before your committee. It is our hope that together, these documents will promote a healthy discussion among members of Congress and the public at large.

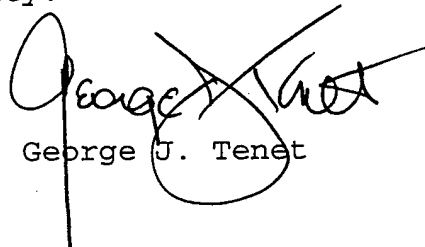
We had undertaken an effort to declassify the entire Jeremiah report but soon realized that the final product would not accurately reflect the full range of Admiral Jeremiah's conclusions. We could not, for example, declassify discussion of our collection successes and shortfalls in the region. A document that presented a partial view would skew the public debate.

The Intelligence Community has taken Admiral Jeremiah's criticisms to heart and I have accepted all of his recommendations. As I stated in my testimony before your committee, we are taking actions designed to remedy our shortcomings. I am especially enthusiastic about the team under my new Deputy Director of Central Intelligence for Community Management, Joan Dempsey. Our Assistant DCI for Collection, Charlie Allen, and our Assistant DCI for Analysis and Production, John Gannon, will add rigor to the management of collection and analysis and have been specifically tasked with developing plans which respond to each of Admiral Jeremiah's recommendations.

The Intelligence Community owes Admiral Jeremiah a debt of gratitude for his service and we take seriously his recommendations. I firmly believe that when we do not get it right, we have to say so and take the necessary steps to improve performance. The delivery of these documents and

The Honorable Richard Shelby

the management changes now underway demonstrate this commitment and support our mutual goal of building a stronger Intelligence Community.



George J. Tenet

Enclosures

The Director of Central Intelligence
Washington, D.C. 20505

22 June 1998

The Honorable J. Robert Kerrey
Vice Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Vice Chairman:

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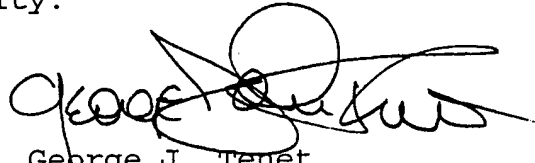
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Enclosures

Recommendations of The Jeremiah Report

The problems collecting against and analyzing the India target raise a number of questions about how the IC has evolved in the broadest terms. Few of these recommendations, therefore, are India-specific. They are listed within the broad categories addressed in the report. The DCI can fix some of these problems using his existing authorities, but others would require that he be assigned greater authority than he now has.

Analytic Assumptions and Tradecraft

1. Add rigor to analysts' thinking when major events unfold. Two mechanisms would help:

A. Bring in outside substantive experts in a more systematic fashion.

B. Bring in experts in the process of analysis when the IC faces a transition on a major intelligence issue. These analytic thinkers would serve, together with substantive specialists, as "Red Teams" on major analytic problems and work with analysts to study assumptions, mirror-imaging, and complex analytic processes.

2. Reexamine the effectiveness of the formal warning process with an eye to altering it fundamentally.

3. Establish effective mechanisms to guarantee stronger integration of regional and technical analysis and greater collaboration and coordination of intelligence agencies and disciplines.

Collection Management and Tasking

4. Realign collection priorities so that high-priority issues within individual countries, such as Indo-Pakistani WMD programs, compete more evenly with rogue states. Better optimize collection on high-priority targets when theater military assets can meet requirements.

Manning and Training

5. Address the imbalance resulting from the decline in analytic depth and the investment in collection systems that are expanding the amount of exploitable data.

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6. Plan now to staff imagery analysis, and support analysts with adequate tools and training, to accommodate the greater technical capabilities envisioned for future imagery systems and the increased data those systems will collect.

Organizing and Integrating the Intelligence Community

7. Vest a community manager with the authority to demand accountability from across the IC for carrying out DCI decisions, directives, and priorities. The IC lacks an accountability process for follow-through on senior-level decisions, and too often the DCI and DDCI are the arbiters for decisions that should be reached and acted on at lower levels.

8. Install an overarching management structure to integrate collection systems and ensure better interagency allocation of resources. A cross-INT collection mechanism is needed, including modeling, to address this need to task collection as a "system of systems."

9. Empower an interagency group to offer specific recommendations on how to improve collection and analysis on the South Asia WMD problem, including both technical aspects and leadership decisionmaking. If such a group is established, the DCI should consider personally appointing a chairperson who has the DCI's authority.

- Ensure that these types of collaborative, interagency groups are not hamstrung by compartmentation.

10. Scrub the current organizational plan to improve the clarity of the structure, fix responsibilities, eliminate redundancies, resource the staff with appropriate management and analytical tools, and balance workload. Once clarified, inform the organization.

CONCLUSION

Reviews such as this always spotlight and make more egregious problems that in retrospect might appear obvious. In fact, these events took place within a milieu of other events, all clamoring for attention and for increased resources and collection.

At the end of the day, there are issues here that should have commanded senior-level attention earlier in the

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process. This cannot all be done by the DCI and DDCI. Addressing IC problems requires leadership participation by senior officers in the entire IC, and their participation should be focused on identifying and discussing critical intelligence requirements facing the nation, even at the expense of resource allocation and regulatory issues that unfortunately today dominate their attention.

To some degree, this means delegating and empowering senior levels within IC organizations to speak for the organization but also to free up senior leaders to focus on the needs of the nation. In order to accomplish this, there must be more risk-taking on the part of the IC's senior leadership in pursuing what needs to be done, whether specifically directed or otherwise.

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Testimony on the Jeremiah Report
By DCI Tenet
To the Senate Select Committee on Intelligence
Tuesday, June 2, 1998

Mr. Chairman, I accept all of Admiral Jeremiah's recommendations and I have asked the recently confirmed Deputy Director of Central Intelligence for Community Management to oversee development of action plans for each of them.

Admiral Jeremiah's report stresses the organizational, training, manning, analysis, and collection problems that reduce our effectiveness in tackling the South Asia weapons of mass destruction challenge. We must do better in these areas, and not only on South Asia issues. The resource constraints and organizational issues that affect our South Asia efforts also are felt in other areas, and have been expressed by groups looking at other "hard targets" of equal or higher priority.

At the same time, we must recognize that improvements in these areas – however necessary – may not have assured that we could catch every nuclear test before it occurs. Foreign entities bent on developing nuclear, biological, chemical and missile capabilities are taking steps to more effectively conceal their activities.

But in my mind, and as Admiral Jeremiah points out, there are steps we could have taken in both collection and analysis. We could have shifted collection assets onto these targets earlier and, even in the absence of robust collection, we should have questioned harder the potential impact the change in the Indian government would have on India's desire to advance its nuclear program and assert itself as a world power. Had we done these things, we might have had better indicators of India's plans or given additional emphasis to the slim indicators that did exist. That said, it is very difficult to argue in the world of competing collection assets that we should raise priorities based on speculation absent hard intelligence data. But I believe Admiral Jeremiah's conclusions and my own convictions point us toward doing that more frequently in the future – and ensuring that we have institutionalized a system of subjecting our analysis to contrary views.

Finally, Mr. Chairman, I want to tell you what I've put in place to allow the Intelligence Community to respond to Admiral Jeremiah's recommendations. The DDCI for Community Management will report back to me in 30 days and will provide the Committee a report in 60 days on the specific details of how we will implement the following steps:

- First, I committed that I would fill the ADCI positions with the very best intelligence professionals. I am designating John Gannon, Chairman of the National Intelligence Council, with the dual responsibility as the ADCI for Analysis and Production, and Charlie Allen, Chairman of the National Intelligence Collection Board, as the ADCI for Collection. Between them, John and Charlie have 60 years experience in the intelligence business and have held every position that I believe critical to their success in these new assignments.

- In cooperation with the National Intelligence Production Board, John will develop an appropriate action plan to respond to Admiral Jeremiah's recommendations on Analytic Assumptions and Tradecraft. That plan will:

1. Include concrete and measurable steps to increase the direct engagement of outside experts in our analytic work, especially on issues of highest priority.

2. Contain explicit provisions for Community-wide application of state-of-the-art red teaming, gaming, and other analytic methodologies that will challenge our thinking.

3. Provide a detailed strategy to overhaul the Intelligence Community's formal warning system to make it more relevant and challenging to experts whose perceptions often need stretching.

4. Lay out a program to enhance the integration of regional and technical analysis and to foster closer collaboration in this effort across the Intelligence Community.

- As the ADCI for Collection, and in cooperation with the National Intelligence Collection Board, Charlie will respond to Admiral Jeremiah's specific Collection Management and Tasking recommendations. I have directed the following initial steps:

1. That the Intelligence Community Collection Committee Chairmen will report to the DDCI for Community Management through the ADCI for Collection, to facilitate the integration of collection activities across the Community.

2. That the National Intelligence Collection Board will identify measures to significantly improve now the way we task across our collectors and across the collection agencies.

3. That the ADCI for Collection, and the ADCI for Analysis and Production, will develop processes to enable all-source Community analysts to

understand and use fully all collection capabilities not sufficiently understood today.

4. That the ADCI for Collection will establish a common understanding among collection managers of the priority assigned to targets within PDD-35 and will ensure that collection resources are allocated accordingly.

- Both ADCIs will provide a plan for how we will implement Admiral Jeremiah's recommendations on Manning and Training.
- Finally, the DDCI/CM will oversee this process and will deal with the final set of recommendations to demand accountability from across the Intelligence Community for carrying out DCI decisions, directives, and priorities. She also will install an overarching management structure to ensure better interagency allocation of resources, greater clarity of responsibilities, elimination of redundancies, and a more balanced workload within the Community. She will be aided in these efforts by her Senate-confirmed deputy and I hope to have the President's approval of my nominee for that position very soon.

Admiral Jeremiah has rendered an important service. I am very fortunate – we all are very fortunate – that a person of his stature and judgment so thoroughly examined the Intelligence Community's performance on this issue.

As the Director of Central Intelligence, I am committed to leading CIA and the Intelligence Community. When we do not get it right, we have to say so and take the necessary aggressive measures to improve our performance. This is our responsibility as professionals to the President, to you, and to the American people. I take seriously the need to implement Admiral Jeremiah's recommendations and I will work hard with my community management team and the Intelligence Community leadership and the members of this Committee to do exactly that.

That concludes my statement, Mr. Chairman. I am available now to take your questions.

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United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-6476

SSCI #98-2091

June 4, 1998

The Honorable George J. Tenet
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear Director Tenet:

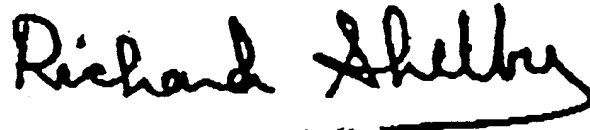
As you know, the Committee is pleased with Admiral David Jeremiah's independent assessment of the Intelligence Community's performance on assessing the likelihood of an Indian nuclear test. We know you agree that his forthright analysis will be a valuable tool for continuing the reform of the Intelligence Community.

We believe Admiral Jeremiah's report is of such importance that a large fraction of it should be declassified, consistent with the protection of sources and methods. There is a great deal of misinformation about the events leading up to India's nuclear tests as a result of inaccurate public speculation. The report corrects many of the inaccuracies. It, therefore, will be an important education tool alerting the American people to the growing crisis in the availability of intelligence assets and the need to continue to adjust the Intelligence Community to an evolving international security environment. We feel that most of the issues dealing with process and management can be made public. Therefore, a declassified version of the Jeremiah Report should be made available as soon as possible.

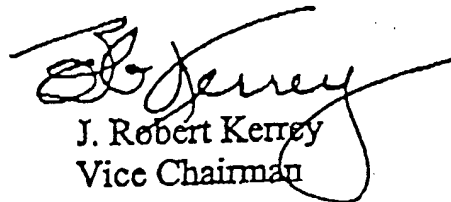
The Honorable George J. Tenet
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We understand that some of the report's sections discuss sensitive intelligence sources and methods. We look forward to working with you to ensure sources and methods are protected while, at the same time, the American people better understand U.S. intelligence.

Sincerely,



Richard C. Shelby
Chairman



J. Robert Kerrey
Vice Chairman